

Governor Mike Kehoe
State of Missouri

Mick Campbell
Commissioner of Finance



DIVISION OF FINANCE

301 West High Street, Room 630
PO Box 716
Jefferson City, MO 65102-0716
(573) 751-3242
finance.mo.gov

February 10, 2025

The Honorable Mike Kehoe, Governor
State Capitol Building
Room 216
Jefferson City, MO 65101

RE: Report to General Assembly pursuant to § 408.506 RSMo

Dear Governor Kehoe,

The Division of Finance, in accordance with § 408.506 RSMo, has conducted a survey of payday lenders operating pursuant to § 408.500 RSMo. Pursuant to statute, a copy of those results has been provided to the General Assembly and as a courtesy we are providing a copy to you. The reporting timeframe was October 1, 2023, through September 30, 2024. The summary is based on an 72.9% return of surveys by the industry. The attached chart (Exhibit A) details the results of the survey and provides historical data for comparison. Some highlights include:

- The total number of payday loans made during the reporting period exceeded 77,000 (For purposes of this survey, a renewal was treated as a separate loan.)
- The average loan was \$300.94 and the average interest rate was 406.26%. This would result in an interest/fee of \$46.89 for a 14-day loan and \$103.83 for a 31-day loan.

The Division of Finance accepts all types of consumer complaints and inquiries through phone calls, emails, fax, mail, etc. Contacts from citizens were resolved by explaining the law in relation to their situation. There were no complaints which resulted in an investigation during the reporting period.

The Division of Finance continues to perform examinations of all payday lenders and overall compliance with current statutes continues to be monitored. During 2024, all 146 of the licensees examined received a satisfactory compliance evaluation. Cease and desist orders are issued in instances of serious noncompliance. During 2024, no such order was issued.

As § 408.506 RSMo also requires the Division to summarize the payday loan laws from contiguous states, we conducted a survey of each states' laws. The results may be found in Exhibit B attached.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mick Campbell', with a stylized flourish at the end.

Mick Campbell
Commissioner

MC: ck
Enclosures (2)

cc: Speaker of the House, Honorable Jon Patterson
Chief Clerk of the Missouri House of Representatives, Joseph Engler
Senate Pro Tem, Honorable Cindy O'Laughlin, R-Shelbina
Senate Secretary, Patrick Baker

PAYDAY LOANS IN CONTIGUOUS STATES

| | Licenses | Maximum Loan | Rate / Fee | Term | Renewal | Complaints |
|-----------|--|---|---|--------------------------------------|---|--|
| Missouri | 203 as of year-end 2024 | \$500 | A loan and all renewals thereof may not earn more than 75% of the original principal in interest and fees. | 14 day minimum 31 day maximum | Limited to 6 | 0 during 2024 |
| Arkansas | Industry is no longer regulated in Arkansas; therefore no information to report. | | | | | |
| Kansas | 26 company 101 branch | \$500 | Interest: Max of 15% of the amount of the cash advance Fees: 3% per month of the loan proceeds after the maturity date | 7 – 30 days | No | 2023 – 9 2024 - 8 |
| Iowa | 59 | \$500 | 15% on first \$100 on face of check + 10% on amount over \$100 | 31 day maximum | No | 2 in 2024 |
| Tennessee | 540 | \$500 (including fee) | May not exceed 15% of the face amount of the check | Not more than 31 days | No | 0 in 2024 |
| Kentucky | 243 | \$500 | \$15 per 100 | 14 days | No | 2023: 20 licensed; 5 unlicensed 2024: 6 licensed; 6 unlicensed |
| Nebraska | 0 | \$500 | APR limited to 36% (Ballot initiative passed Nov 2020) | 34 days or less | Not allowed | None since year end 2022 |
| Illinois | 3 | Regulated by monthly payment – the lower of \$1000 or 25% of gross income | 36% all in APR law passed in 2021 | 45 days max; | 1 renewal up to a total of 45 days indebtedness | 0 in 2024 |
| Oklahoma | As of 7/31/2020 all Deferred Deposit Loans ended in Oklahoma; therefore currently no licenses to report. | | | | | |

Payday Lender General Assembly Report

| | January 2017 | January 2019 | January 2021 | January 2023 | January 2025 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Number of Licenses Issued | 904 | 662 | 580 | 522 | 188 |
| % Change from previous | -8.13% | -27.1% | -12.4% | -10% | -58% |
| Number of Active Licenses (approx) | 898 | 617 | 539 | 308 | 181 |
| % Change from previous | -3.85% | -31.35% | -12.6% | -42.9% | -41.2% |
| Number of Loans Made* | 1.87 million | 998,776 | 301,273 | 226,725 | 77,292 |
| % Change from previous | -20.08% | -53.4% | -69.8% | -24.7% | -65.9% |
| Average Loan Amount* | \$309.64 | \$306.49 | \$272.72 | \$307.33 | \$300.94 |
| Average Number of Renewals* | 1.6 | 1.6 | 1.3 | 2.5 | 1.3 |
| Defaulted Loans* | 111,342 | 46,759 | 13,282 | 16,774 | 4,156 |
| % of Total Loans Made | 5.95% | 4.68% | 4.41% | 7.39% | 5.37% |
| Average Annual Percentage Rate (APR)* | 451.91 | 526.74 | 414.29 | 365.07 | 406.26 |

*Based on figures provided by industry surveys.